

OFFICE OF CONGRESSIONAL AFFAIRS

Routing Slip

	ACTION	INFO
1. D/OCA		X
2. DD/Legislation		X
3. DD/Senate Affairs		X
4. Ch/Senate Affairs		
5. DD/House Affairs		X
6. Ch/House Affairs		
7. Admin Officer		
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9. Constituent Inquiries Officer		
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SUSPENSE

Date

Action Officer:

Remarks:

ej 20nov33

Name/Date



DEFENSE INTELLIGENCE AGENCY

WASHINGTON, D. C. 20301

for
~~U.S. INLL~~ ~~oca 3855-88~~

U-482/GC

TO: Central Intelligence Agency
Office of Congressional Affairs
Washington, D.C. 20505
ATTN:

08 NOV 1988

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SUBJECT: Draft Intelligence Authorization Act for FY '90

1. This responds to your 20 October 1988 memorandum requesting draft legislative language, corresponding section-by-section analysis and cost data for DIA legislative items to be included within the Intelligence Authorization Act for FY 1990.

2. The statl of DIA legislative items originally submitted for inclusion within the Intelligence Authorization Act are as follows:

Foreign Language Proficiency Incentive Pay. A copy of the requested language is attached.

Death Gratuity for DIA Personnel Assigned to Defense Attache Offices Abroad. A copy of the requested language is attached.

DIA Overseas Benefits Comparability. A copy of the requested language is attached.

Defense Intelligence College Gift Acceptance Authority. A copy of the requested language is attached.

Coast Guard Inclusion within the GDIP. This proposal will be submitted through the DoD legislative process. Please delete it from the Intelligence Authorization bill.

DoD Nonofficial Cover Authority. Necessary coordination on this proposal is not yet complete. We would like to continue to reserve space for this proposal, while recognizing that it may not be ripe for inclusion when the bill is ready to go to OMB.

DIA Printing Authority. To our knowledge, no permanent printing restrictions were enacted by the 100th Congress. Hence, this measure is unnecessary and can be deleted from the Intelligence Authorization bill.

Tax Exemption for Allowances Paid to Certain NSA and DIA Employees. A copy of the requested language is attached.

Exclusion of DIA and NSA Director and Deputy Director Billets from Service Flag Rank Quotas. A copy of the requested language is attached.

Exclusion of NFIP Military Personnel from End-Strength Freeze. This proposal will be addressed through the DoD legislative process. Please delete it from the Intelligence Authorization bill.

Extension of DIA and Military Department Employee Termination Authority. A copy of the requested language is attached.

STAT



Assistant General Counsel
for Legislation

Enclosure

DIA STATUTORY LANGUAGE

Foreign Language Proficiency Incentive Pay

SEC. [1]. Chapter 33 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"1606. Special Pay for Foreign Language Proficiency

"(a) In addition to any compensation authorized under section 1604(b) of this title, the Secretary of Defense further may compensate civilian officers and employees of the Department of Defense: (1) who have been certified to be proficient in a foreign language identified by the Secretary of Defense as being a language where personnel proficiency is necessary for national defense considerations; and (2) who serve in positions where proficiency facilitates performance of officially assigned duties, or otherwise are proficient in a foreign language for which the Department has a critical need.

"(b) The annual rate for special pay under subsection (a) shall be determined by the Secretary of Defense but may not exceed \$3,600.00."

Death Gratuity for DIA Personnel Assigned to Defense Attache Offices Abroad

SEC. [2]. Section 1489 of chapter 75, title 10, United States Code, is amended by striking "on active duty as a member assigned to duty" from paragraph (a)(1)(B).

DIA Overseas Personnel Benefits Comparability

SEC. [3]. (a) Section 1605 of title 10, United States Code, is amended by striking from the first sentence of paragraph (a) everything following "employees of the Foreign Service".

(b) Section 432 of title 37, United States Code, is amended by striking from the first sentence of paragraph (a) everything following "employees of the Foreign Service".

Defense Intelligence College Gift Acceptance Authority

SEC. [4]. Chapter 155 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"2606. Gifts to support the Defense Intelligence School

"(a) The Secretary of Defense is authorized to accept, hold, administer, and use gifts, to include bequests or devises,

money, securities, or other property, both real and personal, for the purpose of aiding and facilitating the work of the Defense Intelligence College.

"(b) Gifts of money and proceeds from sales of property received as gifts shall be deposited in the Treasury and shall be available for disbursement upon the order of the Secretary.

"(c) For purposes of Federal income, estate, and gift taxation, gifts accepted by the Secretary under this section shall be considered to be to or for the use of the United States."

NSA/DIA Employee Tax Equalization

SEC. [5]. Section 912(1) of chapter 1 of title 26, United States Code, is amended by striking the "or" in paragraph (C) and inserting at the end thereof the following new paragraphs:

"(E) subsection (b) of section 9 of the National Security Agency Act of 1959, as amended (50 U.S.C. 402 note), whenever the allowance would be excluded from the gross income under paragraphs (1)(A) or (1)(B) of this section, or

"(F) subsection 1605(a) of title 10, United States Code, whenever the allowance would be excluded from gross income under paragraph 1(A) of this section."

Exclusion of DIA/NSA Director and DIA Deputy Director Billets from Service Flag Rank Quotas

SEC. [6]. Chapter -- of title 10, United States Code, is amended by adding at the end thereof the following new section:

"527. Exception to General and Flag Officer Grade Ceiling

"Commissioned officers serving as Director or Deputy Director of the Defense Intelligence Agency, or Director of the National Security Agency, during the period in that appointment, shall not be counted against the numbers and percentages of commissioned officers of the rank and grade of such officer authorized for the Armed Force of which he is a member."

Extension of DIA and Military Department Employee Termination Authority

SEC. [7]. Section 1604(e)(1) of title 10, United States Code, is amended by striking "during fiscal years 1988 and 1989".

SECTION-BY-SECTION ANALYSIS

Section [1] would provide the Secretary with authority to pay additional compensation to civilian employees of the Department, to include the military services and defense agencies, who are proficient in a foreign language which can be applied in the collection, production or dissemination of foreign intelligence. Currently, such authority exists for employees of the State Department, Central Intelligence Agency, National Security Agency and uniformed personnel of the military services. The need for such proficiency among civilian intelligence personnel in Defense Department components such as the Defense Intelligence Agency and the newly formed INF treaty On-Site Inspection Agency is increasing along with demands for high quality all-source military intelligence. In addition, it is recognized that the acquisition, maintenance and enhancement of a foreign language skill requires extraordinary effort and time normally outside of regular duty hours. Therefore, to encourage proficiency in critical foreign language communication skills (reading, speaking and listening), section 101 authorizes payment of special pay to civilian employees who test at or above the utility level established by the Secretary.

Section [2] extends to civilian personnel the same death gratuity authorized by the Intelligence Authorization Act for FY '89 (Public Law No. 100-453) for military personnel serving in defense attache offices overseas. [This section-by-section analysis will be reworked to reflect recommendations of the pending Defense Department study on this authority.]

Section [3] gives the Secretary of Defense discretionary authority to ensure that DIA civilian and military personnel serving overseas can receive the same benefits which the Secretary of State is authorized to give State Department personnel serving under the same conditions. The benefits discrepancy between DIA and State Department personnel was not addressed by the pending NAPA study of Intelligence Community personnel systems. [This section-by-section analysis will be expanded to incorporate a benefits comparison study currently being conducted.]

Section [4] authorizes the Secretary to accept and use gifts made to further the educational activities of the Defense Intelligence College. The Defense Intelligence College currently cannot take advantage of modest educational support opportunities presented by the private academic and corporate communities. This authority would be exercised with close legal supervision to ensure that no standards of conduct issues would arise.

Section [5] corrects a technical omission and authorizes NSA and DIA employees to receive the same tax treatment for benefits received while overseas as is enjoyed by CIA and State Department personnel. This proposal previously has been approved by the intelligence committees for passage, and was withdrawn

solely to satisfy jurisdictional questions raised by the finance committees.

Section [6] exempts the Director and Deputy Director of DIA, and the Director of NSA, from general and flag officer grade ceilings. Such an exemption currently exists for officers appointed as DCI, DDCI, and Director of the IC Staff. However, the Armed Forces still are penalized by appointing their best Intelligence officers to equivalent senior national foreign Intelligence positions in DIA and NSA. While the Services consider it a distinct honor to fill such prestigious positions, the selected officers count against Service flag and general officer ceilings. This situation creates critical gaps in authorized flag and general officer Intelligence positions in the U&S Commands and Service headquarters. This provision ensures that the Armed Service from which an officer is appointed as Director or Deputy Director of DIA or Director of NSA will not, by virtue of that appointment, be deprived of an authorized senior officer billet necessary for effective warfighting leadership and management support.

Section [7] In keeping with the conference report explanation of Public Law 100-178, section 602, this proposal extends permanently DIA and Military Department civilian personnel termination authority. This proposal augments the ability of DoD personnel systems to address the unique difficulties attendant to managing personnel problems in a classified environment, and is in keeping with the general findings and recommendations of the pending NAPA study.

COST DATA

Foreign Language Proficiency Incentive Pay. The projected first-year cost for this incentive pay proposal is approximately \$75,000.00 (\$100 per month for approximately sixty billets).

Death Gratuity for DIA Personnel Assigned to Defense Attache Offices Abroad. This proposal has a de minimus budgetary impact. A death gratuity would equal the annual salary of the deceased.

DIA Overseas Benefits Comparability. This proposal merely gives the Secretary of Defense discretionary authority to provide certain benefits. Given that the authority is discretionary, it is impossible to gauge the resulting budgetary impact before the Secretary decides what, if any, benefits are to be funded. The budgetary impact of any benefits approved for funding will be addressed in the subsequent appropriations submission.

Defense Intelligence College Gift Acceptance Authority. This proposal has a modest positive budgetary impact.

Tax Exemption for Allowances Paid to Certain NSA and DIA Employees. This proposal has a no budgetary impact in that the tax revenues lost are de minimus.

Exclusion of DIA and NSA Director and Deputy Director Billets from Service Flag Rank Quotas. This proposal has no budgetary impact.

Extension of DIA and Military Department Employee Termination Authority. This proposal has no budgetary impact.